

## Message Text

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ACTION EUR-12

INFO OCT-01 AF-06 ARA-06 EA-06 NEA-10 ISO-00 IO-10 SSO-00

NSCE-00 INRE-00 USIE-00 AID-05 CEA-01 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 OPIC-03 SP-02 TRSE-00

CIEP-01 LAB-04 SIL-01 OMB-01 ERDA-05 DODE-00 FPC-01

H-02 INT-05 L-03 NSC-05 PM-03 SAM-01 OES-03 SS-15

STR-04 FEA-01 OIC-02 /136 W  
----- 080317

O R 272159Z MAY 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC IMMEDIATE 7255

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY ANKARA

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CARACAS

AMEMBASSY COPENHAGEN

AMEMBASSY DOHA

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY ROME

AMEMBASSY PARIS

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AMEMBASSY STOCKHOLM

AMEMBASSY TEHRAN  
AMEMBASSY TOKYO  
AMEMBASSY TRIPOLI  
AMEMBASSY VIENNA  
AMEMBASSY WELLINGTON  
AMEMBASSY BRASILIA  
AMEMBASSY KINSHASA  
AMEMBASSY NEW DELHI  
USMISSION NATO  
USMISSION EC BRUSSELS  
AMEMBASSY QUITO

C O N F I D E N T I A L SECTION 01 OF 02 OECD PARIS 13526

KUWAIT PASS BAGHDAD

E.O. 11652: GDS  
TAGS: ENRG, OECD  
SUBJECT: IEA: GOVERNING BOARD MEETING AT MINISTERIAL  
LEVEL

REF: OECD PARIS 12878

1. IEA GOVERNING BOARD MEETING AT MINISTERIAL LEVEL  
MAY 27, CONVOKED AT U.S. SUGGESTION, PROVIDED EXCELLENT  
OPPORTUNITY TO REVIEW AGENCY ACCOMPLISHMENTS TO DATE.  
MOST IMPORTANTLY, MEETING GAVE HIGH-LEVEL IMPETUS TO  
CONTINUED DEVELOPMENT OF IEA LONG-TERM COOPERATION  
PROGRAM AND SET GENERAL GUIDELINES FOR RELAUNCHING  
PRODUCER-CONSUMER DIALOGUE.

2. IN LINE WITH THESE OBJECTIVES, STRONG SUPPORT WAS  
EXPRESSED FOR PROPOSALS MADE BY SECRETARY KISSINGER TO  
CONVENE LEADING R&D OFFICIALS IN EARLY AUTUMN TO  
COMPLETE A JOINT R&D PROGRAM, AS WELL AS TO SECRETARY'S  
PROPOSAL FOR RECONVENING PRODUCER/CONSUMER PREPCON WITH  
THE OBJECTIVE OF ESTABLISHING SEPARATE COMMISSIONS TO  
DEAL WITH CRITICAL AREAS SUCH AS ENERGY, PROBLEMS OF  
MSA'S AND RAW MATERIALS. (TEXT OF SECRETARY'S REMARKS  
CONTAINED IN WIRELESS FILE.)  
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3. ALTHOUGH ALMOST ENTIRE MEETING WAS DEVOTED TO  
READING BY MINISTERS OF PREPARED TEXTS, LITTLE DEBATE  
APPEARED NECESSARY SINCE SUBSTANCE OF STATEMENTS  
REFLECTED STRONG SOLIDARITY AMONG AGENCY MEMBERS.  
THERE WAS NO SIGNIFICANT DIVISION ON SUCH POTENTIALLY  
SENSITIVE SUBJECTS AS: DIFFERENT PERFORMANCES TO DATE  
BY AGENCY COUNTRIES IN ENERGY CONSERVATION; MINIMUM

PROTECTED PRICE FOR IMPORTED OIL BY JULY 1; PROPER  
POLITICAL STANCE FOR AGENCY; AND PRODUCER/CONSUMER  
RELATIONS.

4. FOLLOWING IS SUMMARY OF MAIN POINTS MADE IN  
INTERVENTIONS BY OTHER KEY MINISTERS. TEXT OF FINAL  
COMMUNIQUE (REFTEL), WHICH REVISED ONLY SLIGHTLY  
DURING MEETING, BEING TRANSMITTED SEPTTEL.

5. IEA: DIRECTOR LANTZKE LED OFF WITH STATEMENT  
NOTING THAT EMERGENCY SHARING SYSTEM IS NOW SUFFICIENTLY  
ADVANCED TO ENSURE ITS OPERATION IF NEED ARISES,  
ALTHOUGH FURTHER REFINEMENT NECESSARY. IN THIS REGARD,  
HE REITERATED NEED FOR TEST RUN OF THE OPERATION IN  
NEAR FUTURE. LANTZKE NOTED FIRST DATA UNDER GENERAL  
INFORMATION SYSTEM WILL BEGIN NEXT MONTH AND STRESSED  
NEED FOR GREATER TRANSPARENCY IN OIL MARKET. LANTZKE  
STRESSED THAT MOST DIFFICULT AGENCY TASK WILL BE  
ELABORATION OF LONG-TERM PROGRAM ON CONSERVATION,  
ACCELERATED DEVELOPMENT AND R&D BY JULY 1 DEADLINE.

6. JAPAN: IN VERY BRIEF BUT RATHER FORTH-  
COMING STATEMENT, FOREIGN MINISTER MIYAZAWA STRESSED  
THAT INTENSIFIED EFFORTS AT CONSUMER SOLIDARITY WITHIN  
AGENCY SHOULD BE IN PARALLEL WITH INCREASED EFFORTS TO  
RESUME PRODUCER/CONSUMER DIALOGUE, AND NOTED THAT  
CONSUMER SOLIDARITY WILL EVENTUALLY CONTRIBUTE TO SUCH

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STR-04 FEA-01 OIC-02 /136 W

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O R 272159Z MAY 75

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C O N F I D E N T I A L SECTION 02 OF 02 OECD PARIS 13526

A DIALOGUE. HE REITERATED FAMILIAR JAPANESE POSITION

THAT MEASURES (CONSERVATION, ACCELERATED DEVELOPMENT OF

NEW SUPPLIES, ETC.) MAY VARY AMONG COUNTRIES.

7. GERMANY: ECONOMICS MINISTER FRIEDRICH NOTED THAT FRG HAS AGREED, ALBEIT WITH SOME HESITATION, TO PRINCIPLE OF MINIMUM SAFEGUARD PRICE FOR IMPORTED OIL IN ORDER TO ENHANCE IEA SOLIDARITY. HE SPECIFIED THAT SUCH A PRICE, WHICH MUST BE LOWER THAN CURRENT PRICES, COULD NOT BE A TOTAL GUARANTEE FOR ALL ENERGY INVESTMENTS, NOR COULD IT BE A MINIMUM PRICE FOR ALL ENERGY. ABSOLUTE PERFECTION IN SUCH A SCHEME IS NOT NECESSARY, AND FLEXIBILITY SHOULD BE MAINTAINED AS FAR AS MECHANISMS ARE CONCERNED. HE SUPPORTED U.S. PROPOSALS (GENERAL ENERGY PRODUCTION CONSORTIUM) FOR THE DEVELOPMENT OF NEW SOURCES ON A PROJECT-BY-PROJECT BASIS. FOREIGN MINISTER GENSCHER SAID A RELAXATION OF NORTH/SOUTH TENSIONS IS NECESSARY, BUT THAT IN ORDER TO RESUME THE P/C DIALOGUE THE AGENCY NEEDS TO HAVE A CLEAR SUBSTANTIVE POSITION, AND AN ACCEPTABLE SOLUTION TO THE PROBLEM OF COMMODITIES AS THEY RELATE TO ENERGY. CONTACTS WITH THE DEVELOPING COUNTRIES SHOULD BE USED TO DEVELOP A COHERENT PROGRAM IN ALL OF THESE AREAS. FRG IS READY TO ANALYZE IN A CONFIDENTIAL

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POSITIVE WAY ANY SUGGESTIONS MADE, ALTHOUGH SOLUTIONS WILL NOT BE EASY. GENSCHER PROPOSED EXCHANGING VIEWS IN IEA ON RESULTS OF BILATERAL CONTACTS WITH PRODUCERS AND REQUESTED SECRETARIAT TO DEVELOP PAPER ON THE SUBSTANTIVE AND PROCEDURAL POSSIBILITIES FOR CONTINUATION OF THE DIALOGUE.

8. U.K.: FONMIN CALLAGHAN STRESSED FIRST THAT, ALTHOUGH IEA WAS SET UP INITIALLY TO DEAL WITH AN EMERGENCY SITUATION, IT HAS ALREADY TAKEN ON A PERMANENT NATURE AND WOULD BE ASSUMING EVEN GREATER IMPORTANCE OVER THE LONGER TERM. RE EMERGENCY PROGRAM, CALLAGHAN STRESSED NEED TO MOVE QUICKLY TO BRING EMERGENCY STOCKS UP TO 90 DAYS. FONMIN STRONGLY SUPPORTED LANTZKE'S CALL FOR TEST RUN OF EMERGENCY SYSTEM ALTHOUGH GIVING DUE REGARD TO POSSIBLE POLITICAL SENSITIVITIES. CALLAGHAN ALSO STRONGLY SUPPORTED SECRETARY'S STATEMENTS ON NEED FOR GREATER CONSERVATION EFFORTS AND DEVELOPMENT OF MINIMUM SAFEGUARD PRICE, NOTING THAT U.K. IS PLANNING TO INVEST \$7 BILLION DOLLARS A YEAR, FOR THE NEXT 15 YEARS, IN DEVELOPMENT OF NEW ENERGY IN U.K., AND THAT SUCH INVESTMENT NEEDS PROTECTION. IN PRODUCER/CONSUMER RELATIONS, CALLAGHAN SAID HE BELIEVED IT WAS NECESSARY TO SIGNAL TO THE DEVELOPING WORLD THAT WE RECOGNIZE THEIR PROBLEMS. HE SAID HE SUPPORTED THE U.S. PROPOSAL TO ESTABLISH SEPARATE COMMISSIONS FOR VARIOUS SUBJECT

AREAS, PROVIDED IT CLEARLY SPECIFIED THAT WORK OF ENERGY COMMISSION WOULD BE SUBSTANTIVE, WHILE OTHER COMMISSIONS WOULD SIMPLY MONITOR AND REVIEW WORK UNDERWAY IN OTHER ORGANIZATIONS. CALLAGHAN HOPED RESUMPTION OF DIALOGUE COULD BEGIN QUICKLY ALONG THE LINES PROPOSED BY THE U.S. AND OTHERS.

9. ITALY: FONMIN RUMOR STRESSED NEED TO AVOID CONFRONTATION WITH PRODUCERS AND FOR RELAUNCHING OF A P/C DIALOGUE. ON SUBJECT OF IEA LONG-TERM COOPERATION, HE STRESSED NEED FOR OVERALL BALANCE OF COSTS AND BENEFITS, TAKING INTO ACCOUNT THE VARYING LEVELS OF ECONOMIC AND SOCIAL DEVELOPMENT AMONG AGENCY MEMBERS.

10. DENMARK: DANISH ECONOMIC MINISTER NOERGAARD  
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STRESSED POINT THAT PRODUCERS WILL NOT TAKE CONSUMERS SERIOUSLY UNTIL RELIABLE LONG-TERM COOPERATION PROGRAM HAS BEEN DEVELOPED. HE ALSO REITERATED FAMILIAR DANISH POSITION THAT BENEFITS OF IEA LONG-TERM COOPERATION SHOULD BE MADE AVAILABLE TO ALL MEMBERS ON EQUAL BASIS.  
TURNER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TEXT, MEETING AGENDA, ECONOMIC DEVELOPMENT, PETROLEUM, MINISTERIAL MEETINGS, ECONOMIC PROGRAMS  
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Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

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**TAGS:** ENRG, OECD  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006